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OFFICE FOR PROJECT SERVICES

Scope and objectives for the United Nations Office for Project Services and the role and functions of the Management Coordination Committee and the Users Advisory Group vis-à-vis the Executive Board

Report of the Administrator and of the Executive Director

I. PURPOSE

1. The present report is submitted to the Executive Board pursuant to paragraph 10 of its decision 94/32, which, inter alia, requested the Administrator and the Executive Director to submit a specific proposal outlining the proposed scope and objectives for the United Nations Office for Project Services (UNOPS) as well as to provide additional information on the role and functions of the Management Coordination Committee and Users Advisory Group vis-à-vis the Executive Board.

2. The report complements document DP/1994/62, which provides detailed information on ways of establishing UNOPS as a separate and identifiable entity, operating in partnership with UNDP and other operational entities, and under the overall policy guidance and supervision of the Executive Board.

3. The Executive Board is invited to consider the report in conjunction with the report of the Administrator and of the Executive Director on the financial regulations governing the operations of UNOPS (DP/1995/7).

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II. LEGISLATIVE BACKGROUND

4. The Executive Board, responding to proposals put forward by the Secretary-General in his report DP/1994/52, defined, in its decisions 94/12 and 94/32, its expectations with regard to the establishment of UNOPS. These decisions are consistent with, and make contemporary, previous legislative actions of the Governing Council, as summarized in paragraphs 5 through 8 below.

5. OPS was established by UNDP in 1973 as the Project Execution Division (PED), with responsibility for implementing all UNDP-executed projects including, inter alia, the following types: (i) interdisciplinary and multipurpose projects; (ii) projects which did not fall within the competence of any individual agency; and (iii) individual projects which required general management and direction rather than expert sectoral guidance. In 1975 the Project Execution Division was renamed the Office for Projects Execution (OPE), without any change in its objective and function.

6. In its decision 83/5, the Governing Council authorized UNDP to offer management and other support services to governments whose implementation was included in the scope of OPE. This management service modality was first applied to projects financed by international financial institutions, then to those funded by bilateral grants and by the interested governments themselves.

7. OPE activities were reviewed by the Joint Inspection Unit (JIU) in report A/39/80 of 1984. In his comments on that report (A/39/80/Add.1), the Secretary-General noted that the many types and varied nature of requests from developing countries for multilateral technical cooperation enjoin the United Nations system to make full use of its flexibility and diversity, mentioning OPE as such an instrument. In its decision 84/6, the Governing Council reaffirmed that "the Office for Projects Execution has been established with the full approval of the Governing Council in recognition of the need of the Administrator to have at his disposal an appropriate instrument for providing direct project services to Governments".

8. In its decision 88/11, the Governing Council took note of the Administrator's decision to rename the Office for Projects Execution as the Office for Project Services (OPS). The rationale for this change, explained in the Administrator's note DP/1988/INF.1, was that the previous designation did not adequately reflect the distinction between the management and service-oriented nature of OPE on the one hand, and the technical emphasis of project execution by the specialized agencies on the other. This theme appeared again the following year in the Administrator's report DP/1989/75: "It is the deliberate attempt to respond empirically to a great variety of development needs, at the different stages of project implementation, that has shaped the service-oriented character of much of the activities of OPS."

III. OBJECTIVE AND SCOPE OF UNOPS

9. The proposed objective of UNOPS, consistent with the tradition it inherits from PED, OPE, and OPS, is to provide high-quality, timely, and cost-effective

development services for the successful implementation of projects undertaken by United Nations Member States.

10. Within the context of this objective, the proposed scope of UNOPS continues to be derived from the constantly changing demands of its clients and from the service needs of the projects it supports. These clients and services, as foreseen at the establishment of UNOPS, are summarized in paragraphs 11 and 12.

11. The UNOPS clientele will include:

(a) Recipient Governments, as beneficiaries of international development cooperation;

(b) Funding sources, including, but not limited to: UNDP (and the funds that it administers or for which it acts as trustee), the United Nations International Drug Control Programme (UNDCP) and the International Fund for Agricultural Development (IFAD); and, acting through an organization of the United Nations system, international financial institutions, recipient Governments, donor Governments, or non-governmental organizations (NGOs).

12. UNOPS services will include:

(a) Comprehensive project management, including contracting for technical expertise and backstopping;

(b) Implementation of components of projects under execution by other organizations of the United Nations system or by national institutions;

(c) Project supervision and loan administration on behalf of international financial institutions; and

(d) Management services for multilateral, bilateral, and beneficiary-financed projects.

13. UNOPS anticipates that both the programmatic content and implementation modalities of development projects will continue to change over time, and that, accordingly, adjustments in the type of services provided by UNOPS will be required. In implementing such adjustments, UNOPS shall be guided by policies set by the Executive Board, by the direction of the Management Coordination Committee (MCC), and by the advice of the Users Advisory Group.

IV. ROLE AND FUNCTIONS OF THE MANAGEMENT COORDINATION COMMITTEE VIS-A-VIS THE EXECUTIVE BOARD

14. The Executive Board, as the governing body for UNOPS, shall determine overall policy regarding UNOPS activities and provide overall supervision of UNOPS. The Board shall make decisions, as required, with respect to the following issues: (a) the scope and nature of UNOPS activities; (b) functions and purpose of UNOPS within the framework of the United Nations system; (c) objectives to be pursued by UNOPS; and (d) the scope and nature of the relationship between UNOPS and other entities within and outside the United

Nations system, taking into consideration their respective comparative advantages. The Executive Board shall, inter alia, approve the UNOPS annual programme and budget proposal as well as the financial regulations applicable to UNOPS and any subsequent proposed amendments thereof.

15. The Management Coordination Committee shall be established pursuant to the report of the Secretary-General to the Executive Board of 6 June 1994 (DP/1994/52) and to Executive Board decision 94/32. As specified in the Administrator's report DP/1994/61, the Committee shall provide operational guidance and management direction to UNOPS, i.e., it shall guide UNOPS management in selecting the most cost-effective, efficient and appropriate means to implement and comply with policies and directives set by the Executive Board. An overriding concern of the Committee shall be to ensure maximum responsiveness to users and recipients of UNOPS services as well as maximum effectiveness in the provision of the services provided to recipient countries. The functions of the Committee, as listed in paragraph 5 of document DP/1994/61, shall include the review of the UNOPS annual programme and budget. The Committee shall authorize the submission thereof, by the Executive Director, to the Executive Board.

16. In the views of the Administrator and the Executive Director, the functioning of the Management Coordination Committee as well as the scope and nature of its work shall evolve over time and shall be subject to further refinements, based on experiences gained.

17. The Administrator and the OPS Executive Director are confident that the Management Coordination Committee shall provide for an oversight mechanism that will enable the Executive Board to evaluate the performance, responsiveness and effectiveness of the new United Nations Office for Project Services. Accordingly, in his periodic reports to the Executive Board, the Executive Director of UNOPS shall include any matters which the Committee shall deem to be of interest to the Executive Board.

V. ROLE AND FUNCTIONS OF THE USERS ADVISORY GROUP VIS-A-VIS THE EXECUTIVE BOARD

18. According to the Executive Director's report (DP/1994/62/Add.1), the UNOPS Users Advisory Group provides feedback on the quality, effectiveness, and responsiveness of UNOPS services and promotes the dissemination of lessons learned and new approaches developed.

19. The Users Advisory Group provides advice to the Executive Director. The Management Coordination Committee is charged with ensuring that UNOPS gives due consideration to recommendations emanating from the UNOPS Users Advisory Group. The Executive Director will summarize relevant findings and/or recommendations of the Users Advisory Group in his regular reports to the Executive Board.

VI. EXECUTIVE BOARD ACTION

20. The Executive Board may wish to:

(a) Take note of the present report;

(b) Recognize that the objective and scope of UNOPS are in line with legislation previously adopted; and

(c) Express satisfaction with the provisions in the present report pertaining to the role and function of the Management Coordination Committee and of the Users Advisory Group vis-à-vis the Executive Board.